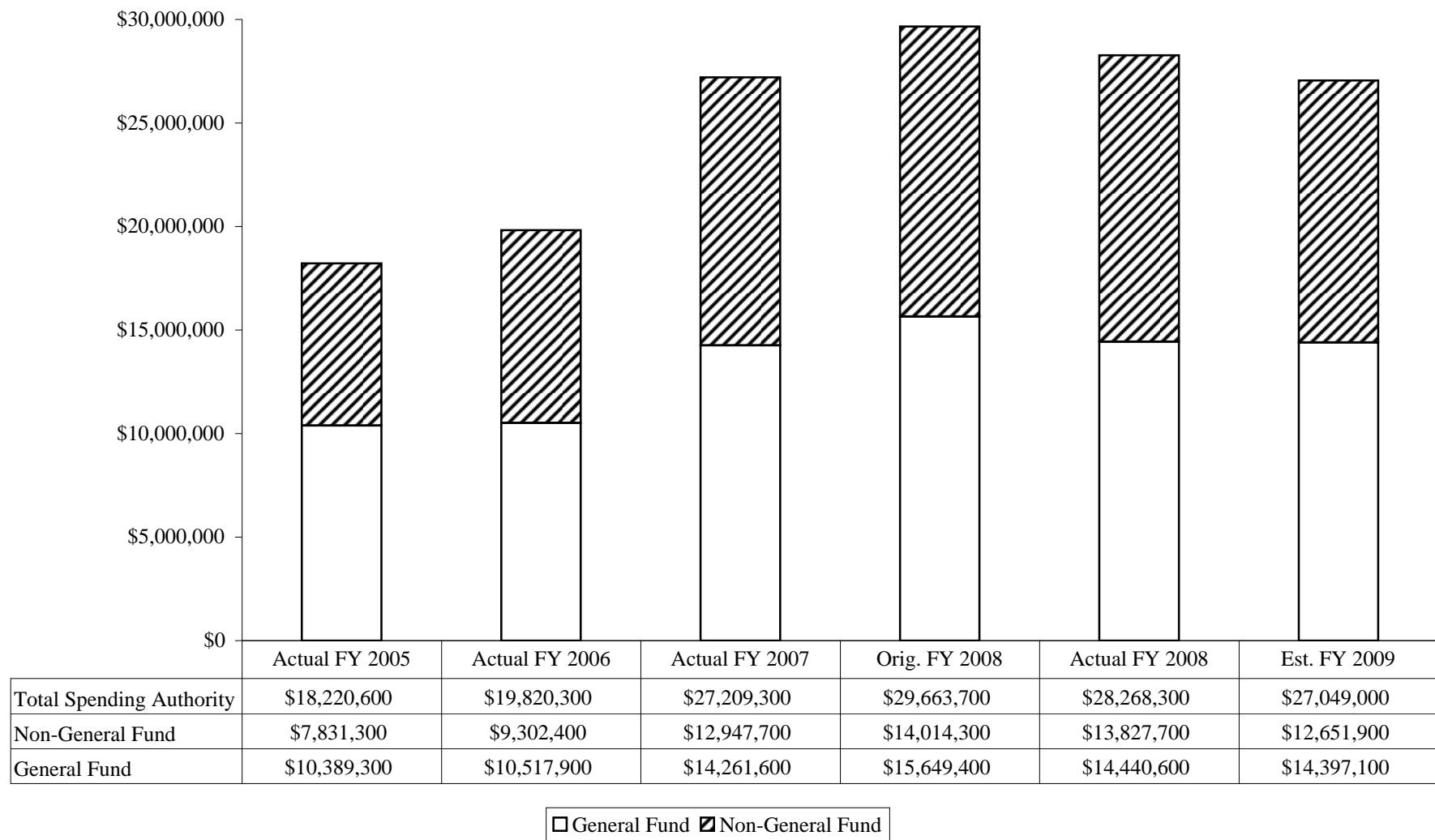


Office of Tourism
Total Funds FY 2005 - FY 2009



Agency: Office of Tourism

Proposal: Require Proportional Local Contributions to the Tourism Fund

FY 09 Savings: \$1,872,800

FY 10 Savings: \$4,495,000

This option would require cities and counties to contribute their proportional share to the Tourism Fund. The state General Fund deposits an annual amount equivalent to 3.5% of the gross revenues from taxes on lodging, 3% of the gross revenues from amusement classification, and 2% of the gross revenues from restaurant classification into the Tourism Fund. However, the state General Fund only receives 73.8% of the gross revenues from amusement and restaurant classifications, and 67.25% of the gross revenues from the taxes on lodging. Cities and counties receive the remaining revenues generated by the taxes. As a result, the state is currently paying the local governments' share of Tourism Fund deposits. Since cities and counties receive benefits from tourism spending, they could also be required to contribute to the Tourism Fund using the funding formula.

In FY 2009 and FY 2010, the impact to cities and counties would be a revenue loss of \$1.7 million and \$2.8 million, respectively, and the state would save \$4.5 million from the General Fund. The Tourism Fund will not lose money as a result of this option. This option would require a statutory change.

Agency: Office of Tourism

Proposal: Lump Sum Reduction

FY 09 Savings: \$2,000,000

FY 10 Savings: \$2,751,200

This amount represents an agencywide 14% lump sum reduction in FY 2009 and 19% in FY 2010.

Proposal: Personnel Savings

FY 09 Savings: \$100,600

FY 10 Savings: \$241,900

This option would reduce an agency's budget by the equivalent of 4.2% of its personnel expenses in FY 2009 and 10% in FY 2010 plus related benefit costs.

State agencies would have the flexibility of determining how to implement this reduction in their personnel costs. These actions could include a furlough, pay reduction or other management actions. In implementing this proposal, agencies would not be permitted to reduce their aid to individuals or contracted services to organizations, as typically delineated in a budget's special line items.